

**From:** William Daniels [/O=REGENERON/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=WILLIAM.DANIELS]  
**Sent:** Thursday, October 04, 2012 4:07:03 PM  
**To:** Stephen Dressel  
**CC:** Robert Krukowski; Cathy Casey; Robert Davis  
**Subject:** CDF Donation Deck update  
**Attachments:** CDF 2013.pptx

Steve,

Per our conversation I updated the deck as follows. Each calculation includes the CDF stated 20% attrition rate within the calculations.

1. I added a sales potential slide at the end, showing potential EYLEA sales for range of patients similar to those with potential to be assisted at CDF, first box
2. I added a bullet to the discussion slide of patients needed for a \$7MM breakeven, second box below is how I arrived at the 800 patient's stated

	Sales for EYLEA	Sales for EYLEA	Sales for EYLEA
<u>Age Related Macular Degeneration Patients</u>	7,000	6,000	5,000
Vial Sale Price	\$1,850	\$1,850	\$1,850
Patient year sales (6x)	\$11,100	\$11,100	\$11,100
Total Sales	\$77,700,000	\$66,600,000	\$55,500,000
Attrition	\$15,540,000	\$13,320,000	\$11,100,000
Total Sales	\$62,160,000	\$53,280,000	\$44,400,000

Break even

	Sales for EYLEA
<u>Age Related Macular Degeneration Patients</u>	800
Vial Sale Price	\$1,850
Patient year sales (6x)	\$11,100
Total Sales	\$8,880,000
Attrition	\$1,776,000
<b>Total Sales</b>	<b>\$7,104,000</b>

Bil

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# Chronic Disease Fund

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2013 Funding



# Overview

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- Assists patients throughout the United States who meet income qualification guidelines and have private insurance or a Medicare Part D plan but cannot afford the cost of their specialty therapeutics.
- Currently supports patients with more than two dozen different diseases, including AMD and RVO.
- CDF is limited in the financial support it can provide for each disease, as it is based on the funding raised each year through mostly disease specific grants and contributions.
- 91 cents of every dollar goes directly to funding patients' out-of-pocket costs.

## Objectives/Goal:

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- Ensure Sr. Management is aware of the CDF funding strategy and implications to the ELYEA franchise if CDF's funding for AMD/RVO were to run out in 2013.
- Provide adequate funding so that CDF's AMD/RVO specific funds have the resources available to provide assistance to patients in need through-out 2013.

# 2013 Considerations

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- Currently assists 20,000 patients with AMD
  - 91% of donations become Direct to Patient Assistance (DTPA)
  - 20% of patients do not utilize funding after approval
- **CDF Reported EYLEA Patients ~ 6,000**
- **Majority of funding is disease state specific**
- CDF management has communicated that for 2013, if every donor doesn't cover their market share the fund will be closed, potential impact:
  - Patients not starting and/or stopping therapy due to inability to afford out of pocket costs
  - Providers upset as program has never been closed due to lack of funding
- Regeneron 2012 funding based on lower market share than EYLEA has obtained
- Need to provide adequate funding for BOTH existing approved patients AND anticipated new patients
- Since inception of high touch Copay referral program in June EYLEA4U has documented 1768 CDF approvals

# 2013 Considerations

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- Genentech may decrease funding to CDF AMD fund due to:
  - Decrease in market share due to EYLEA
  - Recent launch of Commercial Co-pay program
  - Recent approval for DME
- Regeneron overall charitable giving strategy
  - What is our goal
  - How is it determined and by whom
- Positive tax benefits of donation to CDF
- Potential lost sales if patients cannot afford copay without assistance
- Leverage potential cost savings at Lash into increased CDF donation

# Projected CDF Funding Needs Based Upon Market Share

## 2012: 14% Market Share

- Current population: 20,000
- Estimated EYLEA pts.: 2,800
  - (20K\*14% market share)
- Estimated Patient drop out: 560
  - 20% don't use funding
- CDF funded pts.: 2,240
  - Average CDF co-pay: \$380
  - 6 of injections
- Actual funding needs: \$5,170,200
- Actual funding needs based upon \$190 avg. co-pay: \$2,553,600
- Actual Funding needs based upon \$75 avg. co-pay: \$1,292,308

## 2013: 35% Market Share

- Estimated population: 20,000\*
- Estimated EYLEA pts.: 7,000
  - (20K\*35% market share)
- Estimated Patient drop out: 1,400
  - 20% don't use funding
- CDF funded pts.: 5,600
  - Average CDF co-pay: \$380
  - 6 of injections
- Actual funding needs: \$14,030,769
- Actual funding needs based upon \$190 avg. co-pay: \$7,05,384
- Actual Funding needs based upon \$75 avg. co-pay: \$2,292,923

- *Doesn't take into account growing Wet AMD population*

# Discussion

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- CDF quoted Regeneron Share of AMD fund ~ 6,200 Patients
  - 2013 New Patients ~ 9,500
- CDF quoted may be closer to actuals as Avastin patients not utilizing fund
- \$7MM donation breakeven point – 800 patients
- Potential Lost Revenue if fund were to shut down July 1, 2013 ~  
**\$11,655,000**
  - Assuming 30% of patients don't initiate therapy without copay assistance \* 3 remaining 2013 injections



# Potential Sales

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